

Message Text

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ACTION EUR-10

INFO OCT-01 IO-03 ISO-00 EURE-00 SSO-00 NSCE-00 USIE-00

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FM AMEMBASSY NICOSIA

TO SECSTATE WASHDC IMMEDIATE 0263

INFO AMEMBASSY ANKARA IMMEDIATE

AMEMBASSY ATHENS IMMEDIATE

AMEMBASSY LONDON IMMEDIATE

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S E C R E T NICOSIA 3546

E.O. 11652: GDS

TAGS: PINT, PGOV, PFOR, CY, TU

SUBJECT: AUTONOMOUS TURKISH ADMINISTRATION DEVELOPMENTS

REF: NICOSIA 3393

1. SUMMARY. OREK ELEVATED TO DEPUTY PRESIDENT OF ATA. RESHUFFLE OF ATA "MINISTERIAL" ASSIGNMENTS; NEW "MINISTRIES" FORMED. INTRODUCTION TURKISH CURRENCY, FOREIGN EXCHANGE CONTROLS. THESE FURTHER MOVES SOLIDIFY MAINLAND TURKISH CONTROL OF NORTHERN ZONE. EMBASSY CONCLUDES ACTIONS DESIGNED EFFECT CONFEDERATION AND ASSURE A MALLEABLE TURKISH CYPRIOT LEADERSHIP. END SUMMARY.

2. REORGANIZATION OF AUTONOMOUS TURKISH ADMINISTRATION (ATA):

A) ON OCTOBER 6, VP DENKTASH APPOINTED MINDEF OSMAN OREK AS DEPUTY PRESIDENT OF ATA AND DESIGNATED OREK TO ACT IN HIS PLACE DURING VP'S

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ABSENCES FROM ISLAND. DENKTASH ALSO ANNOUNCED INTENTION FORM

TWO MORE "MINISTRIES" (ENERGY AND NATURAL RESOURCES AND REFUGEES AND RESETTLEMENT) IN ADDITION TO NEWLY CREATED "MINISTRIES" OF PLANNING AND COORDINATION AND TOURISM AND INFORMATION. LATTER "MINISTRIES" TO BE HEADED RESPECTIVELY BY PROF. ORHON, TURK CYPRIOT LONG OFF ISLAND TEACHING AT BOGAZICI UNIVERSITY IN ISTANBUL, AND CAGLAR YASAL, PURPORTEDLY THE TURKISH-BORN SON OF EMIGRANT CYPRIOT FAMILY. NO NAMES LISTED FOR OTHER "MINISTERIAL" POSITIONS.

B) COMMENT. ELEVATION OF OREK IS DIRECT SLAP AT NECDET UNEL, PRESIDENT OF TURK CYPRIOT LEGISLATIVE ASSEMBLY. UNDER CONSTITUTION, AND EXISTING TURK CYPRIOT LEGISLATION, UNEL IS SUPPOSED TO SUBSTITUTE FOR VICE PRESIDENT DURING HIS ABSENCE FROM ISLAND. NEW ARRANGEMENT IS DIRECT RESULT UNEL'S CONFRONTATION WITH LT. GENERAL DEMIREL DURING DENKTASH'S LAST TRIP ABROAD (REFTEL). OREK IS FAR MORE PLIABLE INDIVIDUAL WHO HAS ADDED ADVANTAGE OF BEING DENKTASH'S LONG-TERM PERSONAL ADVERSARY.

C) TURKISH GOVERNMENT HAS ALWAYS MANEUVERED TO CLIP WINGS OF TURK CYPRIOT LEADERS. MOST EMBASSY CONTACTS READ OREK'S APPOINTMENT AS EFFORT CIRCUMSCRIBE DENKTASH'S AUTHORITY. WE AGREE. SAME IS TRUE OF NEW "MINISTERS," NONE OF WHOM KNOWN HERE AND ALL OF WHOM, PRESUMABLY, OWE ALLEGIANCE TO ANKARA, NOT DENKTASH. END COMMENT.

3. FURTHER MOVES TO SOLIDIFY TURKISH CONTROL IN NORTHERN ZONE:

A) FOLLOWING OCTOBER 1 LEGALIZATION MAINLAND TURKISH CURRENCY, TURK CYPRIOT CIVIL SERVANTS THIS WEEK RECEIVED SALARIES IN TURKISH LIRA, COMPUTED AT 38 PER CYPRUS POUND. SINCE CIVIL SERVANT SALARIES COMPRISE BULK OF TURK CYPRIOT ECONOMY, HENCEFORTH TURKISH LIRA WILL BE COIN OF EXCHANGE IN NORTHERN ZONE. MARKET PRICES OF ALL COMMODITIES ARE ALREADY QUOTED IN BOTH CURRENCIES IN OCCUPIED AREA. MAINLAND TURKISH AGRICULTURAL BANK WILL FUNCTION AS TURK CYPRIOT CENTRAL BANK AND FOREIGN EXCHANGE CONTROLS IDENTICAL TO THOSE IN FORCE ON MAINLAND HAVE BEEN INTRODUCED. AT SAME TIME, IMPORT DUTIES ON MAINLAND PRODUCTS HAVE BEEN PRACTICALLY ELIMINATED.

B) COMMENT: LOCAL MERCHANTS JUST BEGINNING PERCEIVE DIFFICULTIES OF FUNCTIONING UNDER THESE CONTROLS AND PROBABILITY THAT THEY WILL BE UNABLE REORDER PRODUCTS AND SPARE PARTS FROM NORMAL BRITISH SUPPLIERS. INTRODUCTION TURKISH CURRENCY, AND RIGOROUS FOREIGN SECRET

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EXCHANGE CONTROLS, WILL FURTHER THE ECONOMIC PARTITIONING OF ISLAND. END COMMENT.

C) ATA HAS FORMALLY ESTABLISHED TURK CYPRIOT AIR LINES (NO FLIGHTS YET), TURK CYPRIOT TELEVISION (RELAYS THREE TIMES PER WEEK FROM ADANA), ARCHEOLOGY DIRECTORATE, AND RURAL CONSTABULARY. CITIZENSHIP BILL HAS BEEN INTRODUCED; TELECOMMUNICATIONS PROJECTS ANNOUNCED; CORPORATIONS RE-REGISTERED; AND OTHER ECONOMIC INSTITUTIONS SUCH

AS CO-OPS GIVEN ADDITIONAL POWERS.

D) NORTHERN TREK CONTINUES. THERE ARE PERCEPTIBLY MORE PEOPLE NOW ESTABLISHED ON NORTH COAST. ESTIMATES TURK CYPRIOTS REMAINING OUTSIDE OCCUPATION ZONE RANGE FROM 15 TO 30 THOUSAND (8,500 OF WHOM LOCATED ON SBA). ACTIVE RECRUITING CAMPAIGN UNDERWAY TO SETTLE TURK CYPRIOT PEASANTS IN KYRENIA CITRUS GROVES; POSTER IN ATA OFFICE ADVERTISES BUSES DEPART DAILY AT 1330 HOURS. GOAL REMAINS UNIVERSITY GRADUATE DEVELOPMENT OFFICER IN EACH VILLAGE, FARMER IN EACH FIELD. ALSO, ACCORDING LOCAL TURKISH PRESS, 2,000 MAINLAND FUNCTIONARIES WILL BE IMPORTED TO REACTIVATE NORTHERN HOTELS BEFORE WINTER TOURIST SEASON.

4. COMMENT: CONCLUSION WE DRAW FROM ALL THIS ACTIVITY IS THAT TURKS DO NOT ANTICIPATE AN EARLY POLITICAL SETTLEMENT AND ARE PLANNING FOR LONG HAUL. IN ADDITION, ESTABLISHMENT OF "NEW REALITIES" IS YET ANOTHER INDICATION THAT TURKISH BASE LINE IN NEGOTIATIONS WILL BE CONFEDERATION RATHER THAN FEDERAL SETTLEMENT. WHILE DISCLAIMING INTENT PARTITION ISLAND, TURKISH ACTIONS SINCE CEASE-FIRE HAVE LED PRECISELY IN THAT DIRECTION. OREK'S ELEVATION, REORGANIZATION ATA "MINISTERIAL" RESPONSIBILITIES, AND APPOINTMENT OF "MINISTERS" FROM MAINLAND (IRRESPECTIVE OF THEIR ORIGINS) SEEM DESIGNED TO INSURE THAT, WITHIN ABOVE CONTEXT, ATA WILL BE TOTALLY MALLEABLE TO ANKARA'S WILL. CRAWFORD

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